

Message Text

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SUBJ: BUILDING MATERIALS AND CONSTRUCTION EQUIPMENT BUSINESS
OPPORTUNITY SHOW AND SELL

REF: A) STATE 251559 B) KUWAIT 4698 C) KUWAIT 4724 D) KUWAIT 4239
E) KUWAIT 1769

SUMMARY SUBJECT MISSION IF PROPERLY RECURITED WOULD PROBABLY
FIND GOOD MARKET IN KUWAIT FOR SELECTED SERVICES AND EQUIPMENT.
US, HOWEVER, ALREADY WELL ESTABLISHED IN SEVERAL THESE FIELDS.
MAIN PROBLEMS FOR US HOSTING SUCH A MISSION ARE LACK OF INFOR-
MATION CONCERNING FINAL SCHEDULE OF EVENTS FOR KUWAIT AND PRO-
POSED MISSION FORMAT. WE BELIEVE RELATIVELY SMALL TRADE MISSIONS
WILL WORK OR FULL-BLOWN EXHIBITION, BUT NOT "SHOW AND SELL"
WHICH SEEMS TO FALL BETWEEN BOTH THESE POLES. BEFORE WE CAN
ACCEPT MISSION THESE DIFFICULTIES WOULD HAVE TO BE RESOLVED.
END SUMMARY

1. IN KUWAIT THERE GOOD AND GROWING MARKET FOR MATERIALS AND
SERVICES OUTLINED IN SUBJECT MISSION, AND WE RECOMMENDING IT
HIGH ON OUR LIST OF BIC "BEST PROSPECTS". HOWEVER, THERE CERTAIN
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SPECIAL FACTORS FOR KUWAIT MARKET WHICH ANY MISSION MUST TAKE

INTO ACCOUNT. GOOD US ENGINEERING/ARCHITECTURAL FIRMS ARE NOT RPT NOT IN SHORT SUPPLY. FIRMS SUCH AS TAC; SKIDMORE, OWINGS, AND MERRILL; AND DELEUW, CATHER ARE DOING A CONSIDERABLE AMOUNT OF WORK IN KUWAIT. MOREOVER, WE SEE MANY OTHER GOOD FIRMS WHICH ARE SEEKING WORK HERE SUCH AS PERKINS AND WILL; HOWARD NEEDLES, TAMMEN, AND BERGENDORFF; AND LEO A. DALY TO NAME BUT A FEW. IN THE FIELD OF HEAVY INDUSTRIAL ENGINEERING/CONSTRUCTION FLUOR, BROWN AND ROOT, FOSTER-WHEELER, AND PROCON AMONG OTHERS ARE FREQUENT VISITORS. THUS, WHILE KUWAIT HAS A NUMBER OF INTERESTING PROJECTS WHICH REQUIRE PLANNING AND/OR CONSTRUCTION SERVICES, INCLUDING A NEW UNIVERSITY, FIVE HOSPITALS, A DRYDOCK, AN LPG FACILITY ETC. (ALL CONSTRUCTION); AND A SPORTS AND RECREATION COMPLEX, SEVERAL NEW TOWNS AN EARTH SATELLITE STATION, AND SEVERAL PETROCHEMICAL PLANTS, (PLANNING AND CONSTRUCTION), A NUMBER OF US FIRMS ARE ALERT TO THESE NEEDS, ALTHOUGH ONE OR TWO OTHER SUCH FIRMS WOULD NOT HURT. PERHAPS, ONE AREA IN WHICH PROMOTION WOULD BE HELPFUL IS THE FIELD OF GENERAL CONSTRUCTION WITH EMPHASIS ON PREFABRICATED AND INDUSTRIAL BUILDING TECHNIQUES WHICH WOULD SAVE ON TIME AND LABOR.

2. BASIC CONSTRUCTION MATERIALS ARE PRODUCED LOCALLY OR IMPORTED FROM FAR EAST AND EASTERN EUROPE. GOOD OPPORTUNITIES DO EXIST FOR SALES OF POWER TOOLS, HARDWARE, ARC WELDING EQUIPMENT, CRANES, AND MORE SOPHISTICATED BUILDING MATERIALS. IN FIELD HEAVY CONSTRUCTION MACHINERY, US MANUFACTURER CATERPILLAR DOMINATES FIELD IN ALMOST ALL LINES IT MANUFACTURES -- SO MUCH SO THAT MANY CONTRACTORS PREFER RECONDITIONED CAT EQUIPMENT TO NEW OF ANY OTHER BRAND. THUS, WE SHOULD PRINCIPALLY PROMOTE CONSTRUCTION MACHINERY COMPLEMENTARY CAT EQUIPMENT IN THIS MARKET OR WHICH CAT CAN NO LONGER SUPPLY.

3. HAVING SAID THIS, WE SEE SEVERAL SERIOUS PROBLEMS WITH US HOSTING SUBJECT MISSION. SPECIAL ACTIVITIES DIVISION HAS GIVEN US NUMBER OF REQUESTS IN RECENT MONTHS TO HOST PROMOTIONAL EVENT, WHICH WE HAVE DUTIFULLY ANSWERED. YET, WE STILL HAVE NO IDEA, WHATSOEVER, AS TO WHAT OUR FINAL EVENTS SCHEDULE THROUGH END OF FISCAL YEAR WILL BE. FOR INSTANCE, WE HAVE REPEATEDLY ASKED FOR INFORMATION ON STATUS OF PHANTOM SPECIALIZED MATERIALS HANDLING MISSION ORIGINALLY SCHEDULED FOR NOVEMBER WITHOUT ANY REPLY. WE HAVE NO IDEA IF WE SHALL HAVE TO HOST A CATALOGUE

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SHOW ON EITHER SPORTS EQUIPMENT OR MARINE INDUSTRIES. WE HAVE NO WORD ON THE PROPOSED APPAREL IOGA. BESIDES THE REGULAR COMMERCE EVENT SCHEDULE, WE SHALL ALSO BE WORKING ON THE TIME INC. GROUP, OPIC TRADE MISSION AND AN USDA FOOD SALES TEAM IN THE COMING MONTHS.

4. SECOND DIFFICULTY IS LACK OF INFORMATION GIVEN ON FORMAL MAKE-UP OF SUBJECT MISSION. WHAT IS A "SHOW AND SELL" CON-

TAINING "ELEMENTS OF A TRADE MISSION?" WE NO LONGER BELIEVE
HAVING US BUSINESSMEN SITTING IN HOTEL WAITING FOR KUWAITIS
TO COME TO SEE THEM WILL WORK, FOR ANYTHING LESS THAN A WELL-
PUBLICIZED, WELL FINANCED, EXHIBITION. OUR PRACTICE ON TRADE
MISSIONS IS TO RENT VEHICLES AND HAVE MISSION MEMBERS VISIT
KUWAITIS AT THEIR OFFICES. TWENTY TO 25 BUSINESSMEN ARE OBVIOUSLY
UNWIELDY AND IMPRACTICABLE FOR EMBASSY'S RESOURCES AND NATURE OF
THE MARKET. IN NUMBER OF CASES THERE SINGLE ORGANIZATION SUCH
AS KUWAIT HOUSING AUTHORITY WHICH HAS BROAD IMPACT ON LOCAL
HOUSING PROGRAMS, AND IT UNLIKELY THEY COULD OR WOULD WISH
TO FOCUS ON SUCH A LARGE NUMBER OF FIRMS. THERE MANY OTHER
EXAMPLES SUCH AS THIS EXIST AND WE CANNOT EXPECT ONE OR TWO
OFFICIALS MEET WITH SUCH A LARGE NUMBER OF BUSINESSMEN AND HAVE
ANYTHING POSITIVE HAPPEN.

5. BEFORE WE CAN ACCEPT ANY SUCH MISSIONS, WE NEED TO HAVE
CLEAR INDICATIONS WHAT IS BEING PLANNED FOR KUWAIT THRU JUNE
30, 1975. MOREOVER, WE NEED BETTER SUPPORT (CABLE ON VISITING
TEXAS IOGA WILL FOLLOW), AND INCREASED RESPONSIVENESS TO THE
SPECIAL CIRCUMSTANCES OF SMALL GULF STATE MARKETS IF SUCH MISSIONS
ARE NOT TO BE COUNTER-PRODUCTIVE.

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